

Analysis of Private Higher Education in China

Yongxiao Cheng* Yancai Zheng** Yanshan University

Abstract: Considering the nature of education, the author holds that the fundamental function of education is to serve the customers, with relation to the internationalization of higher education in China. This paper illustrates the inevitability of development and the relative differences, by the discussion of benefit or non-benefit orientation of China’s private higher education. It points out the direction of its development and the conjuncture of survival with the conclusion that the best option is development, provided the maintenance of our education sovereignty.

Key words: private higher education; development analysis; benefit orientation

With China’s membership of WTO, it gives rise to the question of how to cope with the challenges for China’s higher educational system especially for the private higher educational bodies. This thesis is to analyze the obstacle for the development of China’s higher education from the educational workers’ perspective.

1. Nature of Private Higher Education

From the aspect of world educational reformation, the privatization of public universities has become a trend nowadays. With China’s entering to the WTO, higher educational bodies will be viewed as the entity to serve people. On the other hand, as a service product, the learners’ role in the educational system will be changed from passive learning to active learning. Families, schools and the whole society will hold the responsibility to provide each individual with the educational service products including all aspects like survival, enjoyment and development levels. Based on the assumption of educational service, changes take place in the areas of educational concept and the perfection of China’s education laws, the educational management and its operating systems, the ways to educate students, the majors setting and the upgrading the textbooks.

The 25th and 26th items of Education Law suggest that the investment from the society are encouraged and supported and the educational development also calls for that demand. However, the question is the understanding of relation between the non-benefit orientation of higher education and the profit-seeking nature of the capital investment. The author holds that the profit should be maintained for the investors provided the principal of non-profit well observed. In this sense, the operation of higher education is profitable. Then what’s the standard to distinguish the profit and non-profit? The criteria lie in two aspects: The first one is the emergence of the private higher educational schools makes public contribution to the local community, underling that the benefit orientation is objective. Second, if the investors could not receive the rewards from the investment to the higher

* Yongxiao Cheng (1948-), male, associate researcher at Higher Education Development and Research Center, Yanshan University; Address: Higher Education Development and Research Center, Yanshan University, Qinhuangdao, Hebei Province, P.R.China; Postcode: 066004.

** Yancai Zheng (1955-), associate researcher and director of the Lab at Higher Education Development and Research Center, Yanshan University; Address: Higher Education Development and Research Center, Yanshan University, Qinhuangdao, Hebei Province P.R.China; Postcode: 066004.

education development, that is to say, the investment is virtually donation. It passed over the current development situation of China's society. The consequence is the private higher education will perish in the end or become the neglectable part of public higher education. Then the public higher education will be put into the dominating place again and that's obviously not the purpose for China's educational system reformation. In a word, the subtle balance of the educational non-profit nature and the investment profit-seeking nature should be carefully analyzed. There are two terms that need to be carefully defined: one is education is for profit and the other is education needs to be profitable. The former one is concentrating on the final aim of profit regardless of the ways to achieve it. The latter is to say education as an enterprise, it needs to be profitable. The former is focusing on its orientation, but the latter is asking for the benefit nature. The author holds that for a nation with sovereignty, the non-benefit orientation must be maintained. The soul of the education will be lost if no non-benefit orientation involved. Meanwhile, the education development is based on the economic support. A sustainable development of educational entities should not be prohibited from gaining profit. Thus the nature of education is composed of two compatible elements: non-profitable orientation and profitable.

Considering the education as non-profitable cause means the organizers will view the education as charitable. However, this is against the principal of market economy. The universities hold less educational right under the current higher educational management system. The concentration of educational models, the unfair competition under the market economy and the efficiency and benefit principal are seriously challenged today. They undermine the fast development of China's higher education. The essence of the reformation is to change the educational system under the planning economy. Therefore, the definition for the position of the private higher education is not only the supplement for the public educational system but also the equal level parts that compete and support one another. The two will develop when they meet the demands from the students.

2. The Crisis for Survival of Private Higher Education

The students' enrollment increased five times in the past 50 years for the world higher education. It was estimated by ESC of UN in 1995 that the number will reach 9.7 million by 2015 and 100 million by 2025. The mass development of quality higher education has become the trend and great challenge in 21st century. At some developed nations, the higher education experience from elite education to public higher education. China's higher education reformation and its development is unprecedented in China's history.

From the opening up in 1978, China's private higher education has three phases. The first one is 1978-2003, the initial development period after its permission from the government. The detailed steps would be illustrated like this:

1978-1991: The 11th Communist Party Committee made the decision for opening up and permitted the development of private higher education.

1992-1996: Deng Xiaoping traveled to the south and the private higher education for diploma began to appear.

1997-2003: The regulation for private higher education by the State Counsel was issued and the private higher education has developed faster since then.

The second is from 2003-2020, from the milestone of Private Education Promotion Law, the private higher education enters the period with the assurance from the law and government. The third is from 2020 and beyond, the maturity period of the private higher education.

The issue of Private Education Promotion Law facilitates the development of private higher education and it is entering a new stage of development. In general, China's private higher education is experiencing from its baby stage to maturity stage, such change is by no means achieved on its own but need regulations and laws to keep it in a healthy and sustainable track.

Therefore, there has been a call for further reform in the Private Education industry, so as to make it more mature by reasonable transformation in its position, function, management, modulation, competition, and development.

As the Private Education industry grow in the general term, some areas have seen a decrease or a stalemate in the development of Private Education. Some educational investors have withdrawn from the field of Private Education, while some have gone out of businesses; some have been incorporated as part of Public Education, while some are facing great difficulties in recruit; some have been troubled by legal disputes due to financial inadequacy, leaving some of the investors hesitant in pouring funds into Private Education field.

In light of such tough situation, the government and the society should no longer treat Private Education as an inferior segment, rather, they should offer joint efforts in establishing Private Education as a mainstream educational factor of the society. As to Private Education itself, it should no longer underestimate itself, but have the sense of responsibility to make itself more popular and acceptable.

However, some regions are still relatively lack of recognition in the joint-mainstream status of both Public Education and Private Education. They are lack of recognition in the equal status of Private Education, in carrying out a life-long education, in the governmental administrative responsibilities, and in the functions of Private Education. Private educators should bear the sense of responsibility to set Private Education as the Mainstream Education entities.

3. The Development of Private Higher Education

Private higher education has become an important sector in the higher educational systems of most countries. Among them, the private colleges in the USA have been well-known. In the USA, over 50% prestigious universities or colleges are private-owned. Among the 543 universities in Japan, 390 of them are private universities. In some developing countries, most of the college students are attending private colleges, for example, 86% of the college students are studying in private colleges, and 75% in South Korea, 60% in countries like Bangladesh, Brazil, Columbia, Indonesia, and in India. There are approximately 300 million full-time students, accounting for the No. 1 in the world, taking up 20% of the total number of educated population. However the total annual educational investment only counts \$1.7 billion, taking up 1.5% of the total annual educational investment of the world, which is \$115 billion. To support 20% of the educated population with only 1.5% of the fund, it is truly a poor country running a big project. So there is a huge potential in developing Private Education. Moreover, there are only 84 scientists or engineers in research and development field, which equals only 20% to the level of medium developed countries, and only 1/9 of that of a developed country. India has reaped a 5-billion-dollar export rate in software industry, and we have had only 0.2-0.3 billion US Dollars, all due to lack of proper intellectuals.

The development of Chinese Private Education will be challenged by the expansion of recruit by the public universities in recent years, also by the competition from within the private higher education sectors. As China entered WTO, the private education industry of China is also getting connected with the international arena. With

the number of higher education institutes from those developed countries as competitors, the situation is becoming more difficult. Therefore, it is a fatally important topic as how to face the reality and to meet the challenge. In a word, development is the absolute truth, and such truth guides our strategies and actions after our entry to the WTO.

As China newly steps into the WTO, there would be some inevitable inconsistency due to different developing pace. The Private Education Industry of China was born in an immature industry environment and humanity environment, as a matter of fact, most of the private schools are facing with the problem of malnutrition. It is very difficult for the Chinese private schools to set up their own famous brands, and there is a lack of follow-up potential. Their priority task is to survive, and there is a chance to develop only when they can stay alive.

According to the “Three Standards” proposed by the late Mr. Deng Xiaoping, which goes like this: Whether or not good for developing the socialistic society and productivity, whether or not good for strengthening the general national power of the socialistic country, whether or not good for improving the general living conditions of the people. After China’s entry to the WTO, there would be a more friendly environment for Chinese Private Education to import the developed educational resources, and to bridge over the gap between Chinese Private Education and foreign Private Education Industry. It will also help to speed up the educational reform and educational renovation, be good for the training of new-type intellectuals. No matter Public Education, or Private Education, as long as focusing on positive benefits, on strengthening our national power, it is indeed good way of education. After all, development is the absolute truth.

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